

STEEL LAYOFFS INDICATE NEED  
FOR QUOTAS

Mr. HARTKE. Mr. President, on October 16 of last year I introduced the Iron and Steel Orderly Trade Act with Senator DIRKSEN and 34 other Senators as cosponsors. I described it then as "a moderate quota bill," since it is one which would limit imports in any year to nearly 10 percent of the total consumption in the immediately preceding 3 years as a base period. These are facts which I noted then:

In the past 10 years steel exports have dropped from 5.3 million tons annually to 1.7 million tons.

In those same 10 years—1957–66—domestic steel consumption rose from 76 to 99 million tons annually. But this 30-percent increase was accompanied by a 32-percent decline in steel exports.

Eleven million tons of steel was imported in 1966, supplying 10.9 percent of domestic consumption.

World capacity outside the United States in those 10 years increased by 254 million tons, which exceeded world demand outside the United States by 55 million tons in 1967.

Our steelworkers averaged in 1966 \$4.63 an hour, including fringe benefits. The corresponding figures for the European steel community are \$1.75 and for Japan just over \$1.

Steel from abroad is sold at prices averaging 20 percent below those of domestic companies.

The trade deficit in steel in 1966 was almost \$1 billion; at the same time our balance-of-payments deficit was about \$1.4 billion.

Mr. President, since that bill was introduced the situation has deteriorated further. We have seen the result of fears that the industry would endure a strike, with more steel users turning to foreign steel sources as a hedge against American unavailability. Each time this happens, more steel imports continue as a residue of the temporary situation, which in this instance, of course, did not result in the strike many anticipated.

I noted last year, in that same speech:

Steel imports are shrinking employment opportunities in the steel industry. About 6,400 people are now employed in our steel plants for every million tons of finished products shipped in a year. An additional 1,300 persons are involved in coal and ore mining and transportation. Thus every million tons of domestic steel mill products shipped means employment for approximately 7,700 Americans.

I further noted that 11 million tons of steel from abroad sold here in 1966 meant the export of some 69,000 jobs in basic steel and 14,000 jobs in supporting industries as I have mentioned. These are equivalent to all the jobs at Republic Steel and Youngstown Sheet & Tube combined—our third largest and eighth largest steel producers.

To bring matters up to date, in 1967 the imports became 11.5 million tons, and predictions by the industry place foreign imports at 18 million tons in this calendar year or 1968. Thus in 2 years we have exported another 7,700 American jobs.

Today there are extensive layoffs in the steel industry. Steel output last week was

22 percent below the figure for a year ago. Employment is down by 11 percent from the July peak of 588,000, and the industry is saying that by the end of the year layoffs could reach 100,000, which is more than 17 percent of the steel industry's labor force in this country.

These last facts about the current situation and the future prospect are noted in a Wall Street Journal article by Thomas L. Ehrlich in today's issue of that paper. The situation is more serious than it was when I introduced the Iron and Steel Orderly Trade Act. The implications were more completely analyzed and considered in a special study prepared for the Finance Committee as authorized, on July 28, 1966, pursuant to my efforts for adoption of Senate Resolution 149 of the 89th Congress, calling for such a study. I am gratified to note that the 523-page study, titled "Steel Imports," printed for the use of the committee and released on December 19 of last year, has now been authorized for reprinting as a Senate document. In the "Summary of Conclusions" to be found on page xxiii of the study which was prepared during a leave of absence by Dr. Robert M. Weidenhammer of the University of Pittsburgh Graduate School of Business, a frequent steel consultant to private and Government groups, there appears this warning:

If the trends indicated above persist, the Nation must be prepared to see steel imports ultimately reach such high percentages of the markets for certain steel products as to render them unprofitable for the domestic industry to make.

Mr. President, I ask unanimous consent that the article from the Wall Street Journal may appear in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Oct. 10, 1968]

DRIVE FOR CURBS ON STEEL IMPORTS QUICKENS  
AS DECLINING DEMAND CAUSES MORE LAYOFFS

(By Thomas L. Ehrlich)

PITTSBURGH.—As layoffs follow slumping demand in the steel industry, producers are stepping up their drive for protectionist legislation against foreign imports.

They say the loss of steelworker jobs is a more potent argument with Congress and the Administration for excluding foreign steel than are industry profit problems.

When a questioner at a recent political meeting asked Sen. Clark (D., Pa.) what he would do about "imports that are chopping American jobs," the Senator gave a reply that many steel men think typifies the warming attitude toward protectionism of even such liberal legislators as Sen. Clark. "I have to be convinced each time," he said, "that such legislation won't simply benefit wealthy stockholders—and in the case of steel, I have been."

At least part of his current sympathy for protectionism could have come from the combined exhortations on the subject from Big Steel and the United Steelworkers union. An optimistic union official cites some other unexpected support for import quotas from Democrats in the Pennsylvania and Ohio Congressional delegations.

## "A LOT OF UNHAPPINESS"

"There's going to be a lot of worker unhappiness about being off the job while all these imports are coming in," says Robert E. Williams, president of Youngstown Sheet & Tube

Co., the big Youngstown, Ohio, steelmaker. Industry forecasts put foreign imports at 18 million tons this year, up from 11.5 million tons in 1967. The large import volume for this year reflects heavy stockpiling as a strike hedge, but mills look for imports of about 17 million tons next year unless restrictive laws are passed.

Although the nation's steel output last week was 22% below year-earlier levels, it turned upward from the week before by 1.1%, the biggest week-to-week gain since last March, according to the American Iron and Steel Institute, a trade group. Steelmakers nevertheless are saying that lay offs could reach 100,000 by year-end, or more than 17% of the industry's labor force. One source asserts that steel employment has already slumped 11% from the July peak of 588,000.

Unemployment like that, steel men say, impresses Congressmen with the effect that imported steel can have on American workers.

Opponents of protectionism argue that by artificially supporting the price of steel, a basic commodity, protective legislation imposes its own hardship on workers, forcing up prices of the goods they buy and fueling an already painful inflation.

## UNEMPLOYMENT ISSUE IS SIGNIFICANT

Steelmakers say the issue of unemployment, which they attribute to imports, gains added importance in view of the close battle on protectionist legislation they expect when the 91st Congress convenes in January. Steel men concede that if unemployment recedes, or perhaps fails to develop in the magnitude they expect, the issue will lose its impact as an anti-import argument. But they feel that expected Republican gains in Congress could put protectionist legislation across, and they say odds are heavy that steel unemployment will last well into 1969.

Steel men say foreign steel makers could thwart a quota drive by offering voluntary restraints on sales in the U.S. Should foreign mills suggest a package that pleases Congress, even without satisfying the domestic industry, renewed efforts for legislative protection will make little headway, some officials predict.

So far, Japanese mills have offered to hold their annual increase in deliveries to the U.S. to 7%, which American mills consider still excessive. European producers haven't spelled out what restraints they'd make, State Department sources say, and an over-all foreign package awaits negotiations between Japanese and West German producers about how to carve up the export market to the U.S.

ME

THE PRESIDENT'S DIRECTIVE TO  
SECRETARY RUSK TO BEGIN NE-  
GOTIATIONS WITH ISRAEL ON  
PLANES

Mr. CASE. Mr. President, I welcome the President's prompt response to the request by Congress that he open negotiations for the sale of supersonic planes to Israel.

At the same time, it is my fervent hope, as it must be that of all Americans, that Foreign Minister Abba Eban's conciliatory speech at the United Nations will open the way to a permanent settlement of the Arab-Israel conflict.

Our commitment to help to maintain the security and independence of Israel is unequivocal, and the President's action is clearly directed to that objective. It is also less clear that a continuation of the arms race in the Middle East could have disastrous consequences for all concerned, and that a permanent settlement between Israel and her Arab neighbors offers the only avenue of escape.

# THE ADMINISTRATION'S ACCOMPLISHMENTS SINCE JANUARY

Mr. McGEE. Mr. President, much has been accomplished since we met in January. I should like to speak briefly of one crucial problem which is being solved, and on which I think there is broad agreement. This is a problem that has greatly burdened four administrations and five Congresses since 1958. Thanks to the determination of President Johnson, the support of Congress and the initiative of private enterprise, real progress is being achieved. The prognosis is bright.

I refer to the balance-of-payments deficit. There is evidence of substantial improvement in the outflow of dollars and gold. We are not "out of the woods," by any means. But there is evidence that President Johnson can soon note with justifiable satisfaction that the dollar has gained strength and the balance-of-payments situation has improved.

Few if any problems demanded more attention in this Chamber in 1968. The enactment of the surtax was one of a number of related measures instigated to bring relief. The year began with President Johnson's avowed determination to slash by at least \$2 billion the annual deficit which rose to \$3.6 billion in 1967, the highest in 6 years. One of the proposals was to discourage nonessential travel outside the Western Hemisphere by \$500 million, a proposal that had been considered on two or three previous occasions. The Nation and the free world were jolted by the gravity of the payments crisis.

As Senators we are responsive to the thinking of our constituents. The American people regard freedom to travel as an inalienable right, reflecting that ours is the foremost of open societies. The reaction of the millions who go abroad, usually during school and college vacation periods, and of the travel industries, was harsh. Fortunately, these interests responded to the call for constructive alternatives to narrowing the payments gap, with emphasis on that portion for which U.S. tourism abroad was blamed. A campaign was launched to distribute tens of thousands of discount cards to foreigners interested in visiting this country. For instance, one major airline, Pan American World Airways, accounted for distribution of 10,000 cards, offering special rates in hotels, motels, restaurants, car rental agencies, and other facilities.

There is no gainsaying that the big inflow of foreign investment in U.S. plants, stocks and bonds during the second quarter of this year assisted greatly in restoring confidence in the dollar and heightening hopes for a turnaround in the deficit. Moreover, the President in August sought to give momentum to the trend by three constructive steps. One was to seek authority for the Export-Import Bank for an additional \$500 million in financing of export sales to developing countries. Another was to launch a massive export expansion drive under the leadership of Secretary of Commerce C. R. Smith, one of the world's great aviation executives. And the third was to enlist the resources of the American-flag-international carriers and the travel industry in promoting foreign

tourism in the United States. Clearly, the President is determined to spur foreign trade earnings in his final months in office. Unfortunately, the prolonged copper strike in the first half of this year and the threat of a steel stoppage slowed the pace severely.

In furthering these aims, such international carriers as Pan American have historically promoted overseas markets for potential shippers. In fact, such sales development on behalf of U.S. producers and exporters has been a continuing activity of these transportation firms in their own interests since the 85th Congress, and the introduction at this time in 1958 of U.S.-built jet liner service between New York and London and Paris. It was 10 years ago at this time that Mrs. Dwight D. Eisenhower christened the first U.S.-built commercial jet scheduled service of the Boeing 707 Clipper America at National Airport in Washington.

Coincidentally, the first of a new generation of jetliners, the 747, world's largest, was rolled out of a new plant at Everett, Wash., on September 30, in the presence of representatives of 26 airlines, many of them foreign-flag firms. Soon these giant 747's will be flying around the world as the first of a fleet of 25 to be delivered and will be in actual operation by Pan American Airways at this time next year. It is significant that the buyers of their aircraft include Japan Air Lines and Qantas—flying the flags of this Nation's most industrially advanced trading partners and friends across the Pacific.

As Secretary Smith noted at the roll-out ceremonies, the 747, the new Lockheed and McDonnell-Douglas airbuses now being developed, and the sales of the latest model twin-jets, trijets and "stretched" versions of the DC-8 will account for many billions in American exports in the next 10 years. American leadership in the design and operation of improved equipment, and the vigorous promotion of airlifted exports at constantly diminishing cost will consolidate the gains now being made. The President's grand design for the American presence in a peaceful world in Southeast Asia and around the world will depend heavily on the success of the private sector and in this Nation's brake on inflation, to remain competitive in world markets.

The initiative of the private sector is also needed to compensate for the transition from bilateral foreign aid to multilateral programs and for all U.S. enterprises, large and small, to end whatever "stay-at-home" attitudes they have had, to increase their sales abroad.

Much remains to be done in the area of simplifying documentation in foreign trade transactions, in overcoming the formidable nontariff barriers which American producers—farm and factory—encounter in protectionist countries and blocs overseas. The President is to be commended for his recognition of such obstacles, and his continuing efforts to surmount them.

## TRIBUTE TO SENATOR HAYDEN

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Senator from Maine [Mr. MUSKIE], who is necessarily

absent, I ask unanimous consent, at his request, to have printed in the RECORD a tribute to Senator HAYDEN.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

### TRIBUTE TO SENATOR HAYDEN

Mr. MUSKIE. Mr. President, the end of this session of Congress marks the end of one of the most remarkable careers ever witnessed in the Senate. Senator HAYDEN's career has been extraordinary not only for its unprecedented longevity, but for the quality of his service to the Nation and to the people of Arizona. It has been remarkable in the degree of dedication to his responsibilities which have been great. President Johnson correctly observed that Senator HAYDEN has been a third Senator to every state.

As a human being and as a friend, CARL HAYDEN is loved and respected for his wisdom and humility. His record and character are an inspiration and a source of strength for his colleagues.

I count it an honor to have had the good fortune to have been able to serve with him in the Senate for these 10 years, and I wish him many more years of happiness.

## PRESIDENT JOHNSON WORKED FOR A SAFER AND HEALTHIER AMERICA

Mr. HARRIS. Mr. President, we need not await the judgment of history to gage the significance of the health record of the past 5 years. We have only to look about us to see the impact of the greatest burst of health legislation in the history of the Nation. President Lyndon B. Johnson truly broke historic ground in the struggle for a healthier America.

Medicare and Medicaid, enacted in 1965 as part of the sweeping liberalization of the social security system, have literally brought millions of Americans in touch with the mainstream of modern health care. Among these millions are infants and children whose hold on their American birthright would otherwise have been weakened by the lack of proper medical care; mothers whose lack of pre- and post-natal care would otherwise have threatened not only their health, but also their lives; the poor who have suffered the cruel injustice of ill health because they could afford nothing better; and the elderly whose declining years too often were shattered needlessly by infirmity that their limited means could do nothing to correct.

We are well on the way to eliminating these faults, and history will record that the 89th and 90th Congresses, urged on by President Johnson, launched the greatest push in our history toward assuring for every American the precious right to health care.

But the record is by no means limited to the endeavor to make health services available to all. For much has been accomplished toward eliminating the causes of ill health, and toward making this Nation a land in which men may flourish, not merely survive.

Beginning with the passage of the Clean Air Act in 1963, Congress legislated a vigorous attack on the problem of air pollution. That attack has been strengthened by additional legislation, including the Solid Waste Disposal Act of 1965, which set in motion a Federal program to bring an end to the chaotic nightmare of mounting millions of tons